

1
2 RESOLUTION 93-14

3 RESOLUTION RESCINDING RESOLUTION 88-03
4 and
5 PROVIDING FOR THE MANAGEMENT OF THE HOUSING INSURANCE FUND

6 WHEREAS, Part 4 of Division 31 of the Health & Safety Code
7 of the State of California, commencing with "Section 51600,
8 creates a program of Bond and Loan Insurance; and

9 WHEREAS, Section 51653 created the Housing Insurance Fund
10 for the purpose of insuring loans and bonds; and

11 WHEREAS, Section 51650 specifically imposes administrative
12 responsibility for any such program and to the administration of
13 the Housing Insurance Fund to the California Housing Finance
14 Agency ("the Agency"), which means its Executive Director and its
15 board of directors; and

16 WHEREAS, under such authority the Agency has developed a
17 mortgage insurance program which does business in the name of the
18 California Housing Insurance Fund ("CHIF"); and

19 WHEREAS, the rating agencies look to CHFA and its financial
20 resources to maintain both a "Top Tier" rating for CHFA and a
21 "Aa" rating for CHIF; and

22 WHEREAS, bond counsel has clarified that the federal tax
23 laws do not require separation of management of the two funds;
24 and

25 WHEREAS, the performance and functioning of the
26 administration of the two funds can best be directed by the
27 Executive Director of the Agency to best achieve the goals of
providing insurance to low and moderate income household and/or
first-time homebuyers by working together.

28 NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of
29 the California Housing Finance Agency ("the Board"), as follows:

30 Section 1. Resolution 88-03 is hereby rescinded.

31 Section 2. The Executive Director shall have responsibility
32 for administering the day-to-day affairs of CHIF.

33 Section 3. The Executive Director may delegate some or all
34 of his responsibilities for the day-to-day management of CHIF to
35 the Director of Insurance.

36 Section 4. The Director of Insurance shall manage and
37 conduct the business and affairs of the insurance fund under the

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2 direction and supervision of the Executive Director of the
3 agency, and shall perform any other duties as the Board and/or
4 the Executive Director prescribes.

5 Section 5. The Director of Insurance shall be responsible
6 for determining the amount of premium to be charged for any
7 insurance program authorized by law and the Board, for
8 determining the liability of CHIF for the payment of any
9 insurance claim, and for establishing the underwriting criteria
10 for the programs, subject to the review and approval by the
11 Executive Director.

12 Section 6. The Board shall be the proper forum for the
13 resolution of all questions relative to insurance premiums,
14 appraisals, underwriting criteria, and liability of CHIF for
15 payment of insurance claims.

16 I hereby certify that this is a true and correct copy of
17 Resolution 93-14 adopted at a duly constituted meeting of the
18 Board of Directors of the California Housing Finance Agency held
19 on May 13, 1993, at San Francisco, California.

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Attest: 

Secretary